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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUL 18 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of Section 9)
of the Communications Act) MD Docket No. 94-19
)
Assessment and Collection of)
Regulatory Fees for the 1994)
Fiscal Year)

**PETITION FOR PARTIAL RECONSIDERATION
AND CLARIFICATION**

Sprint Corporation ("Sprint"), on behalf of Sprint Communications Co. L.P. and Private TransAtlantic Telecommunications System, Inc. ("PSI"), pursuant to Section 1.429 of the Commission's Rules, hereby respectfully requests that the Commission reconsider, in part, and clarify its Report and Order (FCC 94-140, released June 8, 1994) in the above-captioned proceeding. In particular, Sprint seeks reconsideration and clarification of the Commission's decision to apply regulatory fees to the operators of private submarine cable systems as well as the common carriers who use circuits on such systems to provide international telecommunications services.

In the Notice of Proposed Rulemaking (FCC 94-46, released March 11, 1994, at para. 91), the Commission stated that the "category" of International Bearer Circuits

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covers active 64 kilobit (KB) circuits, or equivalent bearer circuits between the United States and other countries or overseas points including Canada and Mexico provided by private or common carrier submarine cable, satellite, terrestrial cable, microwave, over-the-horizon radio system, or any other transmission system, activated by international facilities-based common carriers for the provision of international telecommunications services. This category also includes 64 KB circuits, or equivalent bearer circuits, of owners of private submarine cable systems licensed by the Commission which have been placed in service for any use between the United States and other countries or overseas points.

Sprint interpreted this language to require that the fee for bearer circuits used in common carriage would be charged to the common carrier itself and that the fee for bearer circuits used in private carriage would be charged to the owner of the facility.

In the Report and Order, however, the Commission modified the above-quoted statement to read as follows: "Private submarine cable operators are also to pay fees for circuits sold on an indefeasible right of use (IRU) basis or leased in their private submarine cables to any customer of the private cable operator" (at para. 98). Under this revision, the Commission is requiring the operators (rather than the owners) to pay for circuits which have been (1) sold to common carriers on an IRU basis or (2) leased to any customer. While

the import of this language is not entirely clear, it may be read to suggest that where the operator of a private cable sells or leases international bearer circuits to a common carrier that both the operator of the private cable and the common carrier using the bearer circuit must pay -- independently -- the regulatory fee for such bearer circuit. As a consequence, two fees would be paid for international bearer circuits sold or leased to common carriers by operators of private cables.

If the Commission intended this result, its decision is clearly inequitable and must be regarded as arbitrary and capricious. The Commission is requiring the payment of regulatory fees for activated circuits in the private cable by both the operator of the private cable and the common carrier using the circuits on a private cable (either on an IRU or leased basis). No reason for such double payment is provided by the Commission.

There is no apparent difference in the regulatory activity generated by the private cables, as opposed to the common carrier cables, and therefore no apparent justification for the application of double charges.

A comparable doubling of the regulatory fees is not imposed on circuits in common carrier submarine cables. Consequently, the double charge places private cable operators at a severe and unjustified competitive disadvantage. Such

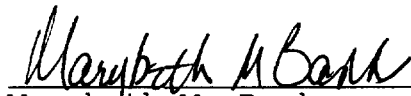
competitive disadvantage is contrary to the Commission's policy to promote competition in the provision of international transmission facilities and services. In 1985, the Commission adopted a policy to "support ... the development of a diversity of international communications technologies and modes and to achieve more meaningful competition in the provision of North Atlantic transmission facilities" (100 F.C.C. 2d 1033, 1034). Clearly, imposition of double regulatory fees on private cable transmission facilities will deter the development of such facilities.

Sprint also seeks clarification of the application of fees to circuits "leased...to any customer of the private cable operator" (at para. 98). Sprint owns, operates and uses the PTAT-1 cable to provide its international services. Sprint should not be required to pay the regulatory fees twice for international bearer circuits which it uses in private cables which it owns. As far as Sprint is aware, there is no similar requirement for double payment by a single carrier.

Sprint urges the Commission, as a matter of competitive equity, to reconsider its decision to double charge regulatory fees for activated circuits on private submarine cables. The decision as it now stands is discriminatory and unlawful.

Respectfully submitted,

SPRINT CORPORATION

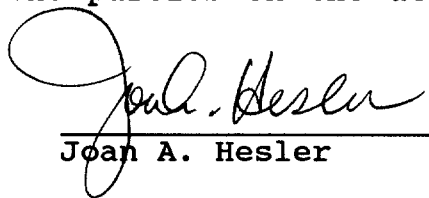
A handwritten signature in dark ink, appearing to read "Marybeth M. Banks", is written over a horizontal line.

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July 18, 1994

CERTIFICATE OF SERVICE

I, Joan A. Hesler, hereby certify that on this 18th day of July, 1994, a true copy of the foregoing "PETITION FOR PARTIAL RECONSIDERATION AND CLARIFICATION" was served U.S. First Class Mail, Postage Prepaid, upon each of the parties on the attached list.



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